

On July 1, 2006 the interest rates on outstanding federal student loans are expected to rise to just over 7 percent-the highest rate in six years-and the rate on outstanding federal parent loans are expected to rise to about 7.8 percent. Student borrowers who consolidate before July 1st may be eligible to lock in a rate as low as 4.75 percent over the life of their loan(s)-which would save the typical undergraduate borrower almost \$3,500 over the life of his or her loan. But students and parents must act quickly to ensure that they can lock in these lower rates.

Why is it so important to take advantage of this opportunity to lock in low interest rates? Earlier this year, Congress voted to cut \$12 billion out of the federal student aid programs in favor of extending tax cuts for the wealthiest Americans. Instead of making college more affordable, the Congressional Leadership is forcing student and parent borrowers to pay excessive interest rates on their loans and increase the cost of college for parents.

I am a cosponsor of the Reverse the Raid on Student Aid Act, H.R. 5150, which puts students and their families first by making college more affordable. This bill would cut interest rates from a fixed rate of 6.8% to a fixed rate of 3.4% on subsidized student loans aimed at those most in need. Fixed rates for parent loans for undergraduate students would be cut from 8.5% to a fixed rate of 4.25%. Under this bill the typical undergraduate student borrower, with \$17,500 in debt, would save \$5,600 over the life of his or her loans. The bill has not been considered for a vote in Congress yet.

For more information on loan consolidation, read some answers to commonly asked questions here: <http://edworkforce.house.gov/democrats/studentloanconsolidation.html>

For more information from me on education, [click here](#) .